

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 05-43 As Amended

Introduced by: Council President Wagner at the request of the County Executive

Legislative Day No. 05-25 Date: October 4, 2005

AN EMERGENCY BILL to authorize and empower Harford County, Maryland to borrow, upon its full faith and credit, and to issue and sell its bonds or other form of indebtedness therefore, in the aggregate principal amount not to exceed Seven Million One Hundred Fourteen Thousand Three Hundred Ninety-Eight Dollars (\$7,114,398), to be designated as "Harford County Water Quality Refunding Bond, Series 2005" (the "Refunding Bond"), the proceeds thereof to be used for the purpose of refunding such amounts of the County's "Water Quality Bond, Series 1991" and such amounts to be refunded (the "Outstanding 1991 Water Quality Bond"), the "County Bonds Subject to

By the Council, October 4, 2005

Introduced, read first time, ordered posted and public hearing scheduled

on: November 1, 2005

at: 7:45 p.m.

By Order: Barbara J. Ruth, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on November 1, 2005, and concluded on November 1, 2005, 2005.

Barbara J. O'Connor, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED
TO EXISTING LAW. [BRACKETS]
indicate matter deleted from existing law.
Underlining indicates language added to Bill
by amendment. Language lined through
indicates matter stricken out of Bill by
amendment.

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 05-43 As Amended

Introduced by: Council President Wagner at the request of the County Executive

Legislative Day No. 05-25

Date: October 4, 2005

Refunding”; the maturities of such of the Outstanding 1991 Water Quality Bond are hereinafter referred to as the “Refunded Bonds”. The maturities of the County Bonds Subject to Refunding may be determined by a Resolution of the County Council of Harford County, Maryland all in accordance with Article 25A of the Annotated Code of Maryland, as amended, the Charter of Harford County, Section 256-26 of the Code of Harford County, and Section 24 of Article 31 of the Annotated Code of Maryland, as amended, or as otherwise permitted by law; providing that the proceeds of the Refunding Bond shall be used to make payment upon all such bonds refunded including, without limitation, the payment of any redemption premium, any interest accrued or to accrue to

By the Council, October 4, 2005

Introduced, read first time, ordered posted and public hearing scheduled

on: November 1, 2005

at: _____

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, 2005, and concluded on _____, 2005.

_____, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 05-43 As Amended

Introduced by: Council President Wagner at the request of the County Executive.

Legislative Day No. 05-25

Date: October 4, 2005

the date of redemption of all such bonds refunded and the costs of issuing the Refunding Bond; prescribing certain details incident to the issuance and sale of such Refunding Bond and authorizing the County Council of Harford County, Maryland to adopt an administrative resolution that shall provide for additional details incident thereto, including, but not limited to, specifying the maturities of the outstanding issues of the County's Bonds to be redeemed with the proceeds of the Refunding Bond as the County Executive may recommend and otherwise generally relating to the issuance, sale, delivery and payment of any such evidences of indebtedness or financing obligations; providing that such indebtedness shall be issued upon the full faith and credit of Harford County, Maryland; providing for disbursement of the proceeds of the sale of evidences of indebtedness and for the levying of charges, assessments and all taxes necessary to provide payment of the principal of

By the Council, October 4, 2005

Introduced, read first time, ordered posted and public hearing scheduled

on: November 1, 2005

at: _____

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, 2005, and concluded on _____, 2005.

_____, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 05-43 As Amended

Introduced by: Council President Wagner at the request of the County Executive

Legislative Day No. 05-25

Date: October 4, 2005

and interest thereon; providing that certain additional matters may be determined by executive order of the County Executive of the County, including but not limited to, amendments to the form of the Refunding Bond as approved by this Bill, the form of various documents as are necessary to implement the financing authorized herein, the manner of issuance and delivery of the Refunding Bond, and the payment of all necessary expenses in connection therewith, the rate or rates of interest to be paid, maturity schedule, redemption provisions and generally for such other matters as may be deemed appropriate by the County Council of Harford County, Maryland in connection therewith; providing for the disbursement of the proceeds of the sale of the Refunding Bond and for the levying of taxes and for the payment of the principal and interest on, the Refunding Bond as it shall mature; providing for the private (negotiated) sale of the Refunding Bond, or any portion thereof, to the Maryland Water Quality Financing Administration

By the Council, October 4, 2005

Introduced, read first time, ordered posted and public hearing scheduled

on: November 1, 2005

at: _____

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, 2005, and concluded on _____, 2005.

_____, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 05-43 As Amended

Introduced by: Council President Wagner at the request of the County Executive.

Legislative Day No. 05-25

Date: October 4, 2005

providing that, upon written request of the County Executive and by administrative resolution of the County Council of Harford County, Maryland, the County may elect to offer the Refunding Bond for purchase at public sale after competitive bid or, to the extent practical, pursuant to the procurement law of the County, Chapter 41 of the Harford County Code, if such public sale is determined by the County Council of Harford County to be in the best interests of the County; providing that the Refunding Bond shall be issued upon the full faith and credit of Harford County, Maryland; generally providing for and determining various matters in connection with the issuance, sale and delivery of the Refunding Bond alternatively, if recommended by the County Executive, providing for an amendment and restatement of the County's Water Quality Bond, Series 1991 and an amendment to the related Loan Agreement with the Water Quality Financing Administration in order to reduce (1) the interest rate on such bond and (2) the administrative fee payable to the Water Quality Financing Administration under such Loan Agreement; prescribing the forms of such Amended and Restated Bond and Amendment to the Loan Agreement; provided that this Bill shall be supplemental to Bill No. 91-20; and declaring the matters described in this Bill to be of an emergency nature affecting the health, safety and welfare of the citizens of Harford County, Maryland.

By the Council, October 4, 2005

Introduced, read first time, ordered posted and public hearing scheduled

on: November 1, 2005

at: _____

By Order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on _____, 2005, and concluded on _____, 2005.

_____, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

RECITALS

WHEREAS, Harford County, Maryland (the “County”) has heretofore issued its Harford County Water Quality Bond, Series 1991 and together with such other bonds of the County that may be refunded by virtue of the authority of this Bill as specifically provided in a Resolution of the County Council of Harford County, Maryland adopted subsequent to the passage of this Bill, the (“Outstanding Bonds”).

WHEREAS, the public purposes for which the proceeds of the Outstanding Bonds were authorized to be spent, the amounts (or maximum amounts) authorized to be spent for each such public purpose, and the probable average useful life of the projects financed with the proceeds of each such series of bonds are specified in (or incorporated by reference into) the Bond Issue Authorization Ordinance specified in Exhibit A, (the “Bond Ordinance”). All terms defined in Exhibit A shall have the meanings given such terms therein and Exhibit A is incorporated herein by reference and made a part hereof; and

WHEREAS, Section 24 of Article 31 of the Annotated Code of Maryland, as amended (the “Refunding Act”), provides that a county which has power under any public general or public local law to borrow money and to evidence the borrowing by the issuance of its general obligation bonds, revenue bonds or other evidences of obligation by whatever name known or source of funds secured, may issue bonds for the purpose of refunding any of its bonds then outstanding, including the payment of any redemption premium and any interest accrued or to accrue to the date of redemption, purchase or maturity of the bonds or other obligations; and

1 WHEREAS, the County is authorized to borrow money and to evidence the borrowing by
2 the issuance of its general obligation bonds by Section 5(P) of Article 25A of the Annotated
3 Code of Maryland, as amended (“Article 25A”), Section 524 of the Harford County Charter (the
4 “Charter”) and Section 256-26 of the Code of Harford County (the “Code”); and

5 WHEREAS, refunding bonds may be issued under the authority of the Refunding Act for
6 the public purpose of:

7 (a) Realizing savings to the issuer in the aggregate cost of debt service on either a
8 direct comparison or present value basis; or

9 (b) Debt restructuring that:

10 (i) in the aggregate effects such a reduction in the cost of debt service; or

11 (ii) is determined by the governing body to be in the best interests of the
12 issuer, to be consistent with the issuer’s long-term financial plan, and to realize a financial
13 objective of the issuer including improving the relationship of debt service to a source of
14 payment such as taxes, assessments, or other charges; and

15 WHEREAS, the Refunding Act further provides that the power to issue refunding bonds
16 shall be deemed additional and supplemental to the issuer’s existing borrowing power, and the
17 procedures for the issuance of refunding bonds shall be the same as those applicable to the bonds
18 or other obligations being refunded, except that refunding bonds may be sold on a negotiated
19 basis without solicitation of bids if the issuer determines in a public meeting that such procedure
20 is in the public interest; and

1 WHEREAS, based on the findings set forth hereinabove, the County Council of Harford
2 County, Maryland has determined that it is in the best interest of the County to issue its general
3 obligation refunding bonds at private, negotiated sale to the Maryland Water Quality Financing
4 Administration; and

5 WHEREAS, the County Council of Harford County, Maryland has determined that its
6 refunding bonds shall be issued in the aggregate principal amount not to exceed Seven Million
7 One Hundred Fourteen Thousand Three Hundred Ninety-Eight Dollars (\$7,114,398) for the
8 purpose of refunding the County Bonds Subject to Refunding in whole or in part as set forth in
9 this Bill and pursuant to an administrative resolution or resolutions (the "Resolution") to be
10 adopted by the County Council of Harford County, Maryland upon written recommendation of
11 the County Executive pursuant to this Bill; and

12 WHEREAS, the County's refunding bonds shall pay the redemption premium (if any),
13 the interest accrued or to accrue to the date of redemption of the Refunded Bonds and the costs
14 of issuance of the County's refunding bonds; and

15 WHEREAS, the Refunding Act further provides that, for the purpose of determining
16 whether refunding bonds issued hereunder are within any debt limitation applicable to an issuer,
17 the amount of the County Bonds Subject to Refunding shall be subtracted from, and the amount
18 of such refunding bonds to be issued shall be added to, the aggregate of such issuer's outstanding
19 bonds; and

20 WHEREAS, the County Council of Harford County, Maryland is hereby authorized to
21 enact a Bill adopted in accordance with Section 524 of the Charter and other applicable

provisions of law providing for (or setting forth the manner of determining) the issuance and sale, the designation, form, tenor, denomination, maturity or maturities, and the rate or rates of interest payable upon the County's refunding bonds or other form of indebtedness issued under this Bill; and to levy annually *ad valorem* taxes upon the assessable property within the County sufficient, together with other taxes and other available funds to provide for the payment of the interest on and principal of the County's refunding bonds issued under this Bill; and

WHEREAS, the proposed refunding bonds and any other form of indebtedness issued hereunder is within the legal limitations on the indebtedness of the County; and

WHEREAS, the final aggregate principal amount of County's refunding bonds together with certain details of the refunding bonds, including, but not limited to, the form of the refunding bonds, the form of various documents as are necessary to implement the financing authorized by this Bill, maturity schedule, interest rate or rates, redemption provisions, date of sale, manner of sale (if different from private (negotiated) sale), and purchaser, and appointment of escrow deposit agent if necessary for the Refunding Bond, shall be determined pursuant to the provisions of the Resolution adopted by the County Council of Harford County, Maryland upon the written recommendation of the County Executive pursuant to this Bill; and

WHEREAS, the Resolution adopted by the County Council of Harford County, Maryland pursuant to this Bill may specify issues of County bonds, in addition to the bonds described in Exhibit A attached hereto which, by virtue of the authority set forth in this Bill and in the Resolution, may be refunded with the proceeds from the sale of the Refunding ~~Bond~~ Bond, or, alternatively, the County Council may, in the Resolution, determine to amend and restate the

Series 1991 Bond and Loan Agreement to reflect a reduced rate of interest and/or a reduced administrative fee as the County Council of Harford County, Maryland may determine to be in the best interests of the ~~County~~ County; and

WHEREAS, the Maryland Water Quality Financing Administration, on July 28, 2005, issued its Revolving Loan Fund Refunding Revenue Bonds, 2005 Series, in order to refund certain of its outstanding bonds, including the bonds issued to provide a portion of the funds to finance the 1991 Water Quality Bond, and the Water Quality Financing Administration has realized debt service savings as a result of such refunding; and

WHEREAS, the Water Quality Financing Administration proposed to share a portion of the debt service savings by reducing the rate of interest on the Water Quality Bond, Series 1991, from 4.458% to 3.4%; and

WHEREAS, the Bond bears interest at the rate of 4.458% payable on August 1 and February 1 and the principal of the Bond was payable in 20 annual installments.

NOW, THEREFORE, in accordance with the provisions of the Charter, the Code, the Refunding Act, and the laws of the State of Maryland.

SECTION 1. Be it enacted by the County Council of Harford County, Maryland, that all terms defined in the foregoing recitals and in Exhibit A hereto shall have the meanings given such terms therein.

SECTION 2. Be it further enacted by the County Council of Harford County, Maryland, that it is hereby found and determined as follows:

1 (a) (i) The County has heretofore issued the Harford County Water Quality
2 Bond, Series 1991 in the original aggregate principal amounts listed in Exhibit A hereto for the
3 public purposes and in the amounts (or maximum amounts) for each such public purpose
4 specified in the Bond Ordinance for such series as set forth in Exhibit A hereto. The aggregate
5 principal amount of the County Bonds Subject to Refunding is also set forth in Exhibit A hereto.

6 (b) Interest rates in the municipal bond market for certain corresponding maturities of
7 bonds are significantly lower than the rates in existence at the time for certain maturities of the
8 Harford County Water Quality Bond, Series 1991 and the County has been advised by the
9 Maryland Department of the Environment that it may be able to realize savings in aggregate cost
10 of debt service upon the Outstanding Bonds, which are subject to redemption prior to their stated
11 maturities only with the consent of the Maryland Water Quality Financing Administration, in
12 each case on either a direct comparison or a present value basis, (1) by issuing the County's
13 refunding bonds for the purpose of redeeming all or a portion of the Outstanding 1991 Water
14 Quality Bond described in Exhibit A hereto, all on the dates and at the redemption prices
15 specified in Exhibit A hereto (or on such other dates and at such other redemption prices as may
16 be specified in the Resolution) for the purpose of paying any redemption premium, any interest
17 accrued or to accrue on the date of redemption of the Outstanding Bonds and the costs of issuing
18 the County's refunding bonds, or (2) amending and restating the County's Water Quality
19 Bond, Series 1991 and the 1991 Loan Agreement with the Water Quality Financing
20 Administration. The County understands that the final determination of savings in the aggregate
21 cost of debt service for the Outstanding Bonds refunded shall depend on the actual interest rates

1 available at the time the County's Refunding Bond are sold and the other terms and conditions of
2 the sale.

3 (c) It is therefore in the best interest of the County to issue its general obligation
4 refunding bonds for the purpose of redeeming all or a portion of the Outstanding 1991 Water
5 Quality Bond, Series 1991, as described in Exhibit A and as may be further described in the
6 Resolution on the dates and at the redemption prices specified in Exhibit A hereto (or on such
7 other dates or at such other redemption prices as may be specified in the Resolution), and for the
8 purpose of paying any redemption premium, any interest accrued or to accrue to the date of
9 redemption of the Outstanding Bonds and the costs of issuing the Refunding Bond, including but
10 not limited to underwriting fees and forward purchase agreement fees, if any.

11 (d) The aggregate principal amount of the Refunding Bond, computed in accordance
12 with subsection (d) of the Refunding Act, or, alternatively, an Amended and Restated Water
13 Quality Bond, Series 1991, is within the legal limitation on the indebtedness of the County as set
14 forth in Section 5(P) of Article 25A of the Annotated Code of Maryland.

15 (e) In order to achieve the flexibility necessary to structure and market the Refunding
16 Bond to maximize the savings to the County, and pursuant to the County's authority under the
17 Refunding Act, it is in the public interest to sell the Refunding Bond on a negotiated basis to the
18 Maryland Water Quality Financing Administration and to provide for the award and sale of the
19 Refunding Bond to the purchaser thereof and various other matters relating to the issuance of the
20 Refunding Bond including, among other things, the final aggregate principal amount of the
21 Refunding Bond, the years of maturity of the Outstanding Bonds which shall be subject to

1 refunding by the Refunding Bond, the schedule of maturities of the Refunding Bond, the
2 determination of the rates of interest payable on the Bonds of each issue and maturity, the
3 method of determining such revisions to the form of Refunding Bond (as set forth in Section 4 of
4 this Bill) as may be required for sale, the terms and conditions relating to any optional
5 redemption or mandatory sinking fund redemption, the purchase price of the Refunding Bond
6 (which may be either at, above or below par), and the appointment of an escrow deposit agent (if
7 deemed necessary by the County Executive of the County) for the Refunding Bond, by the
8 enactment of the Resolution.

9 (f) The projects financed with the proceeds of Harford County Water Quality
10 Bond, Series 1991 are described in Exhibit B, attached hereto.

11 SECTION 3. Be it further enacted by the County Council of Harford County, Maryland,
12 that the County, pursuant to the authority contained in Section 5(P) of Article 25A of the
13 Annotated Code of Maryland, the Charter, the Code and the Refunding Act, shall borrow upon
14 the full faith and credit of the County and shall issue and sell upon the full faith and credit of the
15 County an aggregate principal amount not to exceed Seven Million One Hundred Fourteen
16 Thousand Three Hundred Ninety-Eight Dollars (\$7,114,398) (or such lesser aggregate principal
17 amount as may be specified in the Resolution) of its bonds in registered form without coupons,
18 such bonds to be known as "Harford County, Maryland Water Quality Refunding Bond, Series
19 2005". The Refunding Bond shall be issued as Current Interest Refunding Bond. Alternatively,

1 if provided in the Resolution, the County is authorized to execute and deliver an amended and
2 restated Water Quality Bond, Series 1991 and the related Loan Agreement.

3 SECTION 4. Be it further enacted by the County Council of Harford County, Maryland,
4 that the date of issue of the Refunding Bond, shall be as provided by the ~~Resolution~~ Resolution,
5 unless the County Council, based upon recommendation of the County Executive, by Resolution
6 authorizes the amendment of the original bond and loan agreement. The Refunding Bond shall
7 bear interest at the rate or rates named by the purchaser of the Refunding Bond at private
8 (negotiated) sale as shall hereafter be approved upon written recommendation of the County
9 Executive, by the Resolution, and said interest, shall be payable semiannually (or more
10 frequently if the Resolution so provides) in each of the years that the bonds are outstanding;
11 provided that in no event shall the term to maturity exceed thirty (30) years. The Refunding
12 Bond shall be issued pursuant to the authority of this Bill, and shall be issued as a single bond in
13 the amount of Seven Million One Hundred Fourteen Thousand Three Hundred Ninety-Eight
14 Dollars (\$7,114,398). The Refunding Bond shall mature in such serial annual installments and in
15 such amounts and in such years as shall be approved in the Resolution. The Refunding Bond,
16 when issued, shall be executed in the name of Harford County, Maryland, by the facsimile
17 signature of the County Executive of Harford County, Maryland, and a facsimile of the corporate
18 seal of the County shall be imprinted on the Refunding Bond attested by the facsimile signature
19 of the Director of Administration of Harford County and authenticated by the manual signature
20 of a duly authorized officer of the Bond Registrar (defined in Section 21 of the Bill). The

1 facsimiles of said signature and said seal shall be engraved, printed or lithographed on the
2 Refunding Bond in accordance with, and pursuant to, the authority of Sections 2-301 through 2-
3 306, inclusive, of the State Finance and Procurement Article of the Annotated Code of Maryland,
4 as amended. The Refunding Bond shall be subject to registration as to principal and interest in
5 the name or names of the owner or owners thereof on books kept for that purpose at the principal
6 office of the Bond Registrar (defined in Section 21 of this Bill) and the principal of the
7 Refunding Bond shall be payable upon presentation and surrender at the principal office of the
8 Paying Agent (defined in Section 21 of this Bill). Payment of interest on the Refunding Bond
9 shall be made by the Paying Agent on each payment date, to each person appearing on the
10 registration books of the County, maintained by the Bond Registrar, as the registered owner
11 thereof, by check or draft mailed to each such registered owner at his or her address as it appears
12 on such registration books. Interest on the Refunding Bond will accrue from the date of delivery.
13 There shall be printed on each Refunding Bond the text of the approving legal opinion of bond
14 counsel with respect to the Refunding ~~Bond~~. Bond, or, alternatively, upon recommendation of
15 the County Executive, the County authorizes an amended and restated bond as provided in
16 Section 26 of this Bill. Except as provided hereinafter or in resolutions of the County Council of
17 Harford County, Maryland adopted prior to the issuance of the Refunding Bond, the Refunding
18 Bond shall be in substantially the following form, which form, together with all covenants and
19 conditions therein contained, is hereby adopted by the County Council of Harford County,
20 Maryland as and for the form of obligation to be incurred by Harford County (unless the County

1 Council of Harford County, Maryland shall determine by Resolution that the Refunding Bond
2 shall be issued in book-entry form), and said covenants and conditions, including the promise to
3 pay therein contained, are hereby made binding upon Harford County, Maryland, in accordance
4 with the endorsement on said Refunding Bond:

UNITED STATES OF AMERICA
STATE OF MARYLAND
HARFORD COUNTY, MARYLAND
HARFORD COUNTY WATER QUALITY REFUNDING BOND, SERIES 2005

Interest Rate Dated Date Maturity Date CUSIP

_____, 2005 February 1, 2013

Registered Owner:

Principal Sum: _____ (Dollars)
(\$ _____)

HARFORD COUNTY, MARYLAND, a body politic and corporate, organized and existing under the Constitution and laws of the State of Maryland (the "Borrower"), hereby acknowledges itself indebted and, for value received, promises to pay to the Registered Owner of this bond as set forth above, or registered assignee, the principal amount of \$7,114,398 (or earlier as provided herein) as provided under the terms of the Amendment to Loan Agreement dated as of _____, 2005 (the "Loan Agreement As Amended") by and between the Borrower and the Maryland Water Quality Financing Administration (the "Administration"), plus interest on the unpaid balance under the terms of the Loan Agreement As Amended at the rate of Three and Four Tenths percent (3.40%) per annum (the "Interest Rate").

Both the principal of and interest and premium, if any on this bond will be paid in lawful money of the United States of America, in installments as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>
02/01/2006	759,601	120,945
08/01/2006	-	108,032
02/01/2007	793,465	108,032
08/01/2007	-	94,543
02/01/2008	828,837	94,543
08/01/2008	-	80,452
02/01/2009	865,787	80,452
08/01/2009	-	65,734
02/01/2010	904,384	65,734
08/01/2010	-	50,360
02/01/2011	944,701	50,360

1	08/01/2011	-	34,300
2	02/01/2012	986,816	34,300
3	08/01/2012	-	17,524
4	02/01/2013	1,030,808	17,524

5
6 Payment of interest on this bond shall be made by the Paying Agent on each interest payment
7 date to the person appearing on the registration books of the Borrower maintained by the Bond
8 Registrar as the registered owner hereof, by check or draft mailed to such registered owner at his
9 or her address as it appears 'on such registration books.

10
11 This bond shall be registered as to principal and interest in the name of the owner on the
12 registration books kept for that purpose at the principal office of _____, _____,
13 Maryland ("Bond Registrar"), and such registration shall be noted on the back of this bond, after
14 which no transfer hereof shall be valid unless made on the said registration books by the
15 registered owner hereof in person or by his duly authorized attorney, and similarly noted on this
16 bond. The Borrower, Bond Registrar and Paying Agent may deem and treat the person in whose
17 name this bond is registered as the absolute owner hereof for all purposes. This bond, upon
18 surrender hereof at the principal office of the Bond Registrar with a written instrument of
19 transfer satisfactory to the Bond Registrar, duly executed by the registered owner hereof or his
20 duly authorized attorney, may, at the option of the registered owner hereof, be exchanged for an
21 equal aggregate principal amount of Bonds (hereinafter defined) of authorized denominations
22 and of the same form and tenor as this bond. For every such exchange or transfer of Bonds, the
23 Borrower or the Bond Registrar shall make a charge for any tax or other governmental charge
24 required to be paid with respect to such exchange or transfer as a condition precedent to the
25 exercise of such privilege. The Bond Registrar shall not be obligated to make any such exchange
26 or transfer of Bonds during the 15 days next preceding an interest payment date on the Bonds, or
27 in case of any proposed redemption of the Bonds, during the 15 days next preceding the date of
28 the publication of notice of such redemption. The Bond Registrar shall not be required to make
29 any transfer or exchange of any bonds called for redemption.

30
31 The bond is a single bond aggregating Seven Million One Hundred Fourteen Thousand
32 Three Hundred Ninety-Eight Dollars (\$7,114,398) in principal amount, dated as of
33 _____, 2005 and known as "Harford County, Maryland Water Quality Refunding
34 Bond, Series 2005" (the "Bond"). The Bond is issued as a fully registered bond without coupons
35 in a denomination of \$7,114,398, is issued pursuant to and in full conformity with the provisions
36 of the Charter of Harford County, as amended, and by virtue of due proceedings had and taken
37 by the County Council on Harford County, Maryland, particularly a Bill enacted on
38 _____, 2005, entitled Bill No. 05-__ and a Resolution adopted on November __,
39 2005.

40
41 The full faith and credit and unlimited taxing power of the Borrower is pledged to the
42 punctual payment of the principal of and interest on this bond according to its terms, and the

County covenants and agrees punctually to pay the principal of this bond and the interest thereon, at the dates and in the manner mentioned herein.

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the Borrower in his or her individual capacity, and neither the members of the County Council of Harford County, Maryland nor any official executing this bond shall be personally liable or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, the Charter of Harford County and the Bill and Resolution above referred to, and that the issue of bonds of which this is one, together with all other indebtedness of the Borrower, is within every debt and other limit prescribed by the Constitution and laws of said State and the Charter of Harford County, and that due provision has been made for the levy and collection, if and when necessary, of an annual *ad valorem* tax or taxes upon all the legally assessable property within the corporate limits of the Borrower, as prescribed by law, in rate and amount sufficient to provide for the payment, when due, of the interest on and the principal of this bond.

In any case where any date of payment of principal of, premium (if any), or interest on this bond, or the date fixed for any redemption of this bond, shall be a Saturday, Sunday or legal holiday observed by the Borrower, then payment of such principal, premium (if any), or interest need not be made on such date but may be made on this next succeeding day which is not a Saturday, Sunday or legal holiday observed by the Borrower with the same force and effect as if made on the date of payment or the date fixed for redemption.

This bond shall not be valid or become obligatory for any purpose until this bond shall have been authenticated by the execution by the Bond Registrar, or its successor as Bond Registrar, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF Harford County, Maryland, has caused this bond to be executed in its name by the facsimile signature of the County Executive, which signature has been imprinted hereon, and has also caused a facsimile of its corporate seal to be imprinted hereon, attested by the facsimile signature of the Director of Administration, all as of the _____ day of _____, 2005.

Attest:

HARFORD COUNTY, MARYLAND

Director of Administration

By: _____
County Executive

Date of Authentication: _____

CERTIFICATE OF AUTHENTICATION

This bond is one of the registered bond of Harford County, Maryland
Water Quality Refunding Bond, Series 2005

By: _____

[Form of Registration]

(No writing hereon except by an officer of _____, Baltimore, Maryland, Bond Registrar).

Date of Registry

Name of Registered Holder

Registered By

_____	_____	_____
_____	_____	_____
_____	_____	_____

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(please insert name and address of the assignee)

(Tax Identification or Social Security No. _____) the within bond, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

1
2 NOTICE: Signature must be guaranteed
3 by a member firm of the New York
4 Stock Exchange or a commercial bank
5 or trust company
6
7
8
9

NOTICE: The signature on this Assignment
must correspond with the name of the
registered owner as it appears on the face
of the within bond in every particular,
without alteration or enlargement or any
change whatever.

10 [Form of Certification of Legal Opinion
11 to appear on panel to left of Filing Back]
12
13

14 IT IS HEREBY CERTIFIED that the following is a true and correct copy of the complete
15 approving legal opinion of Miles & Stockbridge, P.C., Baltimore, Maryland, with respect to the
16 issue of bonds, of which this bond is one, that the original of said opinion was manually
17 executed, dated and issued as of the date of delivery of, and payment for, said issue of bonds and
18 that an executed copy thereof is on file with the Paying Agent.
19
20

21 (Here insert text of legal opinion
22 relating to this issue of bonds.)
23
24

1 SECTION 5. Be it further enacted by the County Council of Harford County, Maryland,
2 unless the County Council, by Resolution, authorizes the execution of an amended original bond
3 and loan agreement, that the Refunding Bond shall bear interest at the rate or rates for such
4 Refunding Bond to be established by negotiation (unless the Refunding Bond is sold at public
5 sale and/or by competitive bid) in accordance with Section 11 of this Bill, and such interest shall
6 be payable each year until maturity, and on the maturity or redemption date thereof, until and
7 including the date of maturity or earlier redemption; provided that such interest payment dates
8 may be changed by the Resolution.

9 The Refunding Bond shall bear interest from the interest payment date next preceding the
10 date of registration and authentication of such Refunding Bond, unless such Refunding Bond is
11 registered and authenticated on an interest payment date, in which case it shall bear interest from
12 such interest payment date, or, unless authenticated prior to the first interest payment date, in
13 which case it shall bear interest from the date of issuance of the Refunding Bond, or unless, as
14 shown by the records of the Bond Registrar, interest on such Refunding Bond shall be in default,
15 in which event such Refunding Bond shall bear interest from the date to which interest was last
16 paid on such Refunding Bond.

17 SECTION 6. Be it further enacted by the County Council of Harford County, Maryland,
18 that prior to the issuance, sale and delivery of any bonds, bond anticipation notes, or any other
19 evidences of indebtedness, pursuant to this Bill, the County Council of Harford County,
20 Maryland shall (without limitation) determine administratively in the Resolution:

1 (a) the substantially final form of instruments or agreements by which the debt or
2 financing authorized herein shall be evidenced (including, but not limited to, bonds, bond
3 anticipation notes, trust agreements and trust indentures;

4 (b) the manner, if any, by which any indebtedness or financing shall be secured in
5 addition to a pledge of the full faith and credit and unlimited taxing power of the County;

6 (c) the principal amounts, rate or rates of interest or method of determining such rate
7 or rates, date, denominations, maturity payment provisions and prepayment, tender and/or
8 redemption provisions (if any) and other terms and conditions thereof;

9 (d) the maturities and amounts of the Outstanding Bonds to be redeemed;

10 (e) the substantially final form and contents and consent to the distribution (and shall
11 authorize the execution and delivery, where applicable) of various agreements and documents as
12 are necessary to implement the financing authorized herein, including, but not limited to, if the
13 Refunding Bond is sold at public sale, a Preliminary Official Statement and/or an Official
14 Statement, a solicitation of offers for purchase of the Refunding Bond by prospective purchasers
15 of the Refunding Bond, a Purchase Contract with the underwriter(s) (if any) selected, and if any
16 indebtedness is determined by the Resolution, to be issued in book entry form, securities
17 depository agreements (collectively the "Documents"), required for the issuance, sale and
18 delivery of any evidence of indebtedness or the completion of the financing authorized herein,
19 which Documents shall contain such provisions as may be required by law or to consummate the
20 financing authorized herein;

1 (f) the details of a public sale of the Refunding Bond after competitive bid, if the
2 County Council of Harford County, Maryland shall determine that such public sale (rather than
3 the manner of sale set forth in Section 11 of this Bill) is in the best interests of the County;

4 (g) the manner in which any evidence of indebtedness authorized for issuance by this
5 Bill shall be executed, sealed and attested (which may be by facsimile signature and/or seal) if
6 different from the provisions of this Bill;

7 (h) provision for the payment. of all necessary expenses of preparing, printing and
8 selling any evidence of indebtedness and the Documents including, without limitation, any and
9 all costs, fees and expenses incurred by or on behalf of the County in connection with the
10 authorization, issuance, sale and delivery of any bonds or notes, and all costs incurred in
11 connection with the development of the Documents, including the fees of counsel to the County
12 and compensation to any persons (other than full-time employees of the County) or entities
13 performing services for or on behalf of the County in connection therewith and in connection
14 with all other transactions contemplated by this Bill regardless of whether the proposed financing
15 is consummated;

16 (i) the manner in which the payment of the purchase price of the Refunding Bond
17 deposited with the Treasurer shall be transferred for payment of the Outstanding Bonds to be
18 redeemed, or for deposit in trust with a trust company or other banking institution as trustee (the
19 “Escrow Deposit Agent”) as determined in the Resolution; such Escrow Deposit Agent to apply
20 all or part of the funds so deposited to the purchase of direct obligations of, or obligations the
21 timely payment of the principal of and the interest on which is unconditionally guaranteed by,

1 the United States of America, the principal of and interest on which shall be sufficient to pay in a
2 timely manner all or a part of the principal of and redemption premium, if any, and interest on,
3 such of the Outstanding Bonds as may be identified in the Resolution.

4 (j) such other matters in connection with the consummation of the financing
5 transactions contemplated by this Bill as may be deemed appropriate by the County Council of
6 Harford County, Maryland, including (without limitation) the appointment of agents (including,
7 but not limited to, trustees, paying agents, indexing agents and/or registrars) in connection with
8 the financing, the execution, acknowledgment, sealing and delivery of such other and further
9 agreements, documents and instruments, and the authorization of the officials of the County to
10 take any and all actions as are or may be necessary or appropriate to consummate the
11 transactions contemplated by this Bill in accordance with the terms hereof and of the Resolution.

12 The Resolution shall be deemed to be of an administrative nature and shall be effective upon the
13 date specified in the Resolution.

14 (k) If recommended by the County Executive, provide for sale of the Bonds at a
15 future date pursuant to a forward purchase agreement to be entered into by the County and
16 appropriate underwriter and/or investment banking firm or financial institution as determined by
17 the County Executive in his sole and absolute discretion.

18 SECTION 7. Be it further enacted by the County Council of Harford County, Maryland,
19 that the term "Outstanding Bonds" as described in this Bill shall be deemed to refer to the
20 Outstanding 1991 Water Quality Bond, and such additional issues of the County's bonds (if any)
21 as the Resolution may specify to be redeemed with the proceeds of the Refunding Bond,

1 including payment of redemption premiums and interest accrued, or to accrue to the date of
2 redemption, purchase, or maturity of such additional issues of the County's bonds.

3 SECTION 8. Be it further enacted by the County Council of Harford County, Maryland,
4 that authority is hereby conferred respectively on the County Executive of the County, the
5 Director of Administration, the Treasurer, the County Attorney and the Administrator of the
6 County Council of Harford County, Maryland, or any of them, and they are hereby directed to
7 take the following actions on behalf of the County:

8 (a) to execute, acknowledge, seal and deliver the Documents substantially in the
9 forms determined administratively by the County Council of Harford County, Maryland in the
10 Resolution; and

11 (b) to execute, acknowledge, seal and deliver such other and further certificates,
12 certifications, agreements, documents and instruments and take such other actions as they or any
13 one or more of them may deem necessary or appropriate to consummate the transactions
14 contemplated by this Bill in accordance with the provisions hereof and of the Resolution.

15 SECTION 9. Be it further enacted by the County Council of Harford County, Maryland,
16 that the Treasurer, or his authorized deputy, is hereby authorized and empowered to prepare and
17 distribute copies of the Documents to any person who may, in his judgment, be interested in
18 participating in the financing described in this Bill or who may request the same or information
19 with respect thereto; provided, however, that any preliminary official statement and related
20 material shall be clearly marked to indicate that they are subject to completion and amendment.

SECTION 10. Be it further enacted by the County Council of Harford County, Maryland, that, all evidences of indebtedness issued pursuant to this Bill shall be secured by the pledge of the full faith and credit and unlimited taxing power of the County, and the County shall levy or cause to be levied in all fiscal years in which any such evidences of indebtedness are outstanding, upon all legally assessable property within its corporate limits, *ad valorem* taxes in rate and amount sufficient to provide for the payment, when due, of all payments due with respect to such financing in each such fiscal year. If the proceeds from the taxes so levied in any such fiscal year are inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency. The County covenants and agrees with the holders or obligees, from time to time, of any Refunding Bond or any other evidences of indebtedness issued pursuant to this Bill to levy and collect the taxes hereinabove described and to take any further action that may be appropriate from time to time during the period that such financing obligations remain outstanding and unpaid to provide the funds necessary to pay the same promptly when due.

SECTION 11. Be it further enacted by the County Council of Harford County, Maryland, that the Refunding Bond may each be sold for a price at, above, or below par, plus accrued interest to the date of delivery. The Refunding Bond shall be sold on a negotiated basis without solicitation of bids pursuant to the County's authority under the Refunding Act, and such procedure for the sale of the Refunding Bond is hereby determined to be in the public interest. Notwithstanding the foregoing, upon written recommendation of the County Executive and administrative resolution adopted by the County Council of Harford County, Maryland, the

County may sell the Refunding Bond by competitively bid requests for proposals, substantially in accordance with the Procurement Law of Harford County, Chapter 41 of the Code.

SECTION 12. Be it further enacted by the County Council of Harford County, Maryland, that the County Council of Harford County, Maryland hereby declares that it is in the public interest of the County that the issuance, sale and delivery of the Refunding ~~Bond~~ Bond, or the amendment of the original bond and loan agreement, be exempt from the provisions of Section 9, 10 and 11 of Article 31 of the Annotated Code of Maryland, as amended.

SECTION 13. And be it further enacted by the County Council of Harford County, Maryland that the County intends to provide funds for payment of principal of, premium (if any) and interest on the Outstanding 1991 Water Quality Bond to the extent the proceeds thereof were used to finance water and sewer projects (collectively the “Maturities of the County’s Bonds Subject to Refunding Issued to Finance Water and Sewerage Systems”), or other indebtedness from certain funds related to operation of the water and sewerage systems of the County. These funds include area connection charges, special assessments, user surcharges, certain depreciation reserves relating to depreciation of the water and sewerage systems, a portion of the recordation tax levied by the County with respect to recordation of interests in real property located within the County, and earnings on the above-described funds.

To the extent any of the above-described funds are specifically designated for payment of debt service on Maturities of the County’s Bonds Subject to Refunding Issued to Finance Water and Sewerage Systems by the legislation or resolution establishing the tax, assessment, surcharge or other source of revenue so designated, and so long as such tax, assessment, surcharge or other

1 revenue source remains so designated and levied by the County, the County hereby covenants to
2 apply all such designated revenues to payments of debt service on Maturities of the County's
3 Bonds Subject to Refunding Issued to Finance Water and Sewerage Systems.

4 In the event that the funds described in this Section related to the operation of the Water
5 and Sewer Systems of the County are insufficient to pay the principal of, premium (if any) and
6 interest on the portion of the Refunding Bond, or the amended original bond and loan agreement,
7 if the County Council, by Resolution, authorizes amendment of the original bond and loan
8 agreement, the proceeds of which are used to redeem the Bonds Subject to Refunding Issued to
9 Finance Water and Sewerage Systems, the full faith and credit and unlimited taxing power of
10 Harford County, Maryland are irrevocably pledged to the payment of such principal, premium (if
11 any) and interest on the Refunding Bond as hereinafter provided.

12 SECTION 14. Be it further enacted by the County Council of Harford County, Maryland,
13 that the County Council of Harford County, Maryland hereby authorizes (a) the appointment of
14 an underwriter (the "Underwriter") to be determined by executive order of the County Executive
15 in connection with the sale of the Refunding Bond, and (b) the payment by the County to the
16 Underwriter out of the proceeds of the sale thereof or otherwise for services rendered in
17 connection therewith, in an amount not to exceed a percentage of the principal amount of such
18 financing, such percentage to be determined in the Resolution.

19 SECTION 15. Be it further enacted by the County Council of Harford County, Maryland,
20 that the County Executive is hereby authorized and empowered for and on behalf of the County:

1 (a) to determine whether the County Bonds Subject to Refunding, shall be refunded
2 currently or in advance and to select the maturities of the bonds to be refunded, at anytime before
3 or prior to the closing for the sale of the Refunding Bond;

4 (b) to cause the preparation, printing, execution and delivery Of the Documents, each
5 substantially in the form presented to the County Council of Harford County, Maryland, with
6 such modifications, supplements or amendments thereto as may be recommended by counsel;
7 and

8 (c) to do all such things as may be necessary or desirable in the opinion of the County
9 Executive in connection therewith.

10 SECTION 16. Be it further enacted by the County Council of Harford County, Maryland,
11 that, upon written recommendation of the County Executive, the County Council of Harford
12 County, Maryland may, at any time, by resolution(s) of the County Council of Harford County,
13 Maryland, administrative in nature, change the date of sale, the date of bid opening (if the
14 Refunding Bond is sold at public sale), the dates of maturity or redemption of the Refunding
15 Bond, the amount of the Refunding Bond to be sold (so long as the principal amount does not
16 exceed the maximum principal amount of the Refunding Bond permitted under this Bill) and the
17 amount(s) of Refunding Bond maturing in each year, the years of maturity of the Outstanding
18 Bonds to be, refunded the interest rate or rates payable on the Refunding Bond, the interest
19 payment dates of the Refunding Bond, appoint paying agents and/or registrars for the bonds, the
20 solicitation for sale, whether ownership of the Refunding Bond shall be maintained in book entry
21 or certificated bond form, and the terms of sale of the Refunding Bond.

1 SECTION 17. Be it further enacted by the County Council of Harford County, Maryland,
2 that, subsequent to the execution of the purchase agreement (if any) between the County and the
3 ~~Underwriter~~ Underwriter, or upon execution of the amended original bond and loan agreement,
4 and upon written recommendation of the County Executive, the interest rate or rates payable
5 thereon shall be fixed by a Resolution in accordance with the terms and conditions of the sale of
6 the Refunding ~~Bond~~ Bond, or the amended original bond, as the case may be. The Refunding
7 Bond shall thereupon be suitably printed or engraved and duly executed and delivered to the
8 Underwriter in accordance with the conditions of delivery as shall be set forth in the purchase
9 agreement. The proceeds of the sale of the Refunding Bond, including any premium and accrued
10 interest received therefore, shall be paid to the Department of the Treasury of Harford County
11 and shall be deposited in a special account of Harford County, Maryland. Harford County,
12 Maryland may, at its option, deduct from the gross proceeds received from the sale of the
13 Refunding Bond the cost of issuing the same, including the cost of advertising, printing and
14 professional fees (including legal) and expenses. There shall be deducted from the total gross
15 proceeds. received from the sale of the Refunding Bond the amount received on account of
16 accrued interest on the Refunding Bond, which amount shall be set apart by the Treasurer of
17 Harford County in a special fund and applied to the first maturing interest payment of the
18 Refunding Bond, The balance of the proceeds of the sale of the Refunding Bond shall be
19 expended for the purposes set forth in this Bill, and in the Resolution. If the funds derived from
20 the sale of the Refunding Bond shall exceed the amount needed to refund the County Bonds
21 Subject to Refunding, the excess funds so borrowed and not expended by the County Council of

Harford County, Maryland shall be applied by the County in payment of the next principal maturity of the Refunding Bond, unless the County Council of Harford County, Maryland shall adopt a resolution or ordinance allocating said excess funds for such purposes as may be permitted by then applicable law.

SECTION 18. Be it further enacted by the County Council of Harford County, Maryland, that for the purpose of paying the interest on County's premium (if any) and principal of the Refunding ~~Bond~~ Bond, or the amended original bond, as the case may be authorized by this Bill, there is hereby levied and there shall hereafter be levied in each fiscal year that the Refunding Bond is outstanding, *ad valorem* taxes on real and tangible personal property and intangible property subject to taxation by the County without limitation on rate or amount; and, in addition, upon such other intangible property as may be subject to taxation by the County within limitations prescribed by law, in an amount sufficient together with funds available from other sources, to pay the annual interest on the Outstanding Bonds and to redeem the Outstanding Bonds maturing during the succeeding year; and the full faith and credit and the unlimited taxing power of the County are hereby irrevocably pledged to the punctual payment of the principal of (or accreted amount) premium (if any) and interest on the Refunding ~~Bond~~ Bond, or the amended original bond, as the case may be as and when they mature. Harford County, Maryland, by the passage of this Bill hereby covenants and agrees properly and promptly to perform all of the respective acts and duties defined in this Bill for the levy and collection of the aforesaid *ad valorem* tax upon all the assessable property within the corporate limits of Harford County, Maryland, as the levy and collection of such a tax becomes necessary in order to meet the debt

1 service requirements of the Refunding Bond. By this Bill, Harford County, Maryland agrees to
 2 take all action it may be legally authorized and empowered to take in order to enforce, in any
 3 year in which any of the Refunding Bond are outstanding, the guarantee of such Refunding Bond
 4 by Harford County.

5 SECTION 19. Be it further enacted by the County Council of Harford County, Maryland,
 6 that the County covenants and agrees with the registered owners from time to time of the
 7 Refunding ~~Bond~~ Bond, or the amended original Bond as follows:

8 (a) The County covenants that it will not make any use of the proceeds of the
 9 Refunding ~~Bond~~ Bond, or the amended original Bond, or any moneys, securities or other
 10 obligations on deposit to the credit of the County or otherwise which may be deemed by the
 11 Internal Revenue Service to be proceeds of the Refunding ~~Bond~~ Bond, or the amended original
 12 Bond, pursuant to the Internal Revenue Code of 1986, as amended, and Income Tax Regulations
 13 thereunder (collectively, the "Code"), which would cause any of the Refunding Bond to be
 14 "arbitrage bonds" or "private activity bonds" within the meaning of the Code.

15 (b) The County further covenants that it will comply with those provisions of the
 16 Code which are applicable to the Refunding ~~Bond~~ Bond, or the amended original Bond, on the
 17 date of issuance of the Refunding Bond and which may subsequently lawfully be made
 18 applicable to the Refunding Bond. To the extent that provisions of the Code apply to only a
 19 portion of the Bonds, proceeds of the Bonds or other moneys, securities or other obligations
 20 deemed to be proceeds, it is intended that the covenants of the County contained in this Section

1 19 be construed so as to require the County to comply with the provisions of the Code only to the
2 extent of such applicability.

3 (c) The County further covenants that it will not (i) take any action, (ii) fail to take
4 any action, or (iii) make any use of the proceeds of the Refunding ~~Bond~~ Bond, or the amended
5 original Bond, which would cause the interest on any of the Refunding Bond to be or become
6 subject to federal income taxes in the hands of the registered holders of the Refunding Bond.

7 SECTION 20. Be it further enacted by the County Council of Harford County, Maryland,
8 that the Refunding Bond shall be executed and attested in the manner described in this Bill. In
9 the event that any officer whose signature shall appear on the Refunding Bond shall cease to be
10 such officer before the delivery of the Refunding Bond, such signature shall nevertheless be
11 valid and sufficient for all purposes, the same as if such officer had remained in office until
12 delivery.

13 SECTION 21. Be it further enacted by the County Council of Harford County, Maryland,
14 that the Treasurer is hereby designated and appointed as bond registrar, paying agent and
15 authenticating agent for the Refunding Bond (the "Bond Registrar"). The Bond Registrar shall
16 maintain books of the County for the registration and transfer of the Refunding Bond. No
17 Refunding Bond may be registered to bearer. In addition, the County may from time to time,
18 either prior to or following the issuance of the Refunding Bond, designate and appoint the
19 Department of the Treasury of the County, any officer or employee of the County or one or more
20 banks, trust companies, corporations or other financial institutions to act as a substitute or
21 alternate bond registrar, paying agent or authenticating agent for the Refunding Bond, and any

1 such substitute or alternate shall be deemed to be the Bond Registrar or an alternate Bond
2 Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any
3 such appointment shall be made by the County Council of Harford County, Maryland by
4 resolution; and the exercise of such power of appointment, no matter how often, shall not be an
5 exhaustion thereof.

6 SECTION 22. Be it further enacted by the County Council of Harford County, Maryland,
7 that the Refunding Bond shall be authenticated and shall be subject to registration, exchange and
8 transfer as follows:

9 (a) No Refunding Bond shall be valid or obligatory for any purpose unless and until
10 the certificate of authentication therefore shall have been duly executed by the Bond Registrar,
11 and such executed certificate of the Bond Registrar upon any such Refunding Bond shall be
12 conclusive evidence that such Refunding Bond has been authenticated and delivered pursuant to
13 this Bill. The Bond Registrar's certificate of authentication on any Refunding Bond shall be
14 deemed to have been executed by it if manually signed by an authorized signer of the Bond
15 Registrar, but it shall not be necessary that the same person sign the certificate of authentication
16 on the Refunding Bond issued hereunder.

17 (b) The Refunding Bond shall be transferable only upon the books of the County
18 maintained by the Bond Registrar, at the written request of the registered owner thereof or his
19 attorney duly authorized in writing. Any such transfer of such Refunding Bond shall be made,
20 upon surrender thereof, together with a written instrument of transfer satisfactory to the Bond
21 Registrar duly executed by the registered owner or his attorney duly authorized in writing. Upon

1 the surrender for transfer of any Refunding Bond, the County shall issue, and the Bond Registrar
2 shall authenticate, in the name of the transferee, in authorized denominations, a new Refunding
3 Bond of the same aggregate principal amount and of the same form and tenor as the surrendered
4 Refunding Bond. If any Refunding Bond is presented for such purpose at the principal office of
5 the Bond Registrar, the Bond Registrar shall register or cause to be registered in the Bond
6 Registrar and permit to be transferred thereon, under such reasonable regulations as the County
7 or the Bond Registrar may prescribe, any Refunding Bond entitled to registration or transfer. So
8 long as the Refunding Bond remains outstanding, the County shall cooperate in making all
9 necessary provisions to permit the exchange of the Refunding Bond at the principal office of the
10 Bond Registrar.

11 The County and the Bond Registrar may deem and treat the person in whose name any
12 Refunding Bond shall be registered upon the books of the County as the absolute owner of such
13 Refunding Bond, whether such Refunding Bond shall be overdue or not, for the purpose of
14 receiving payment of, or on account of, the principal or accreted amount of and premium, if any,
15 and interest on such Refunding Bond and for all other purposes, and all such payments so made
16 to any such registered owner or, upon his order shall be valid and effectual to satisfy and
17 discharge the liability upon such Refunding Bond to the extent of the sum or sums so paid, and
18 neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

19 The Refunding Bond, upon surrender thereof at the principal office of the Bond Registrar
20 with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the
21 registered owner or his duly authorized attorney, may, at the option of the registered owner

thereof, be exchanged for an equal aggregate principal amount of Refunding Bond of the same maturity and of any other authorized denominations.

In all cases in which the privilege of exchanging Refunding Bond or transferring Refunding Bond is exercised, the County shall execute, and the Bond Registrar shall authenticate and deliver, Refunding Bond in accordance with the provisions of this Bill. All Refunding Bond surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Refunding Bond, the County or the Bond Registrar shall make a charge for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Such charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Bond Registrar shall not be obligated to make any such exchange or transfer of Refunding Bond during the 15 days next preceding an interest payment date on the Refunding Bond, or in case of any proposed redemption of the Refunding Bond, during the 15 days next preceding the date of the mailing or delivery of notice of such redemption. The Bond Registrar shall not be required to make any transfer or exchange of any Refunding Bond called for redemption.

(c) In the event any Refunding Bond is mutilated, lost, stolen or destroyed, the County may execute, and the Bond Registrar may authenticate, a new Refunding Bond of like date, maturity, interest rate and denomination as that of the Refunding Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Refunding Bond, such mutilated Refunding Bond shall first be surrendered to the Bond Registrar, and in the case of any lost,

1 stolen or destroyed Refunding Bond, there shall be first furnished to the County and the Bond
2 Registrar evidence of such loss, theft or destruction satisfactory to the County and the Bond
3 Registrar, together with indemnity satisfactory to them. In the event any such Refunding Bond
4 shall be about to mature or have matured or been called for redemption, instead of issuing a
5 duplicate Refunding Bond, the Bond Registrar may pay the same without surrender thereof. The
6 County and the Bond Registrar may charge the registered owner of such Refunding Bond their
7 expenses and reasonable fees, if any, in this connection.

8 SECTION 23. Be it further enacted by the County Council of Harford County, Maryland,
9 that:

10 (a) A portion of the Refunding Bond may be subject to redemption prior to maturity.
11 The Refunding Bond so subject to redemption, if any, the redemption dates, the redemption
12 prices, and the method of choosing the portion of the Refunding Bond to be redeemed upon a
13 partial redemption, shall be specified in the Resolution.

14 (b) Unless notice of redemption shall be waived in writing by the registered owners
15 of the Refunding Bond to be redeemed, a notice calling for redemption of the Refunding Bond to
16 be redeemed shall be mailed by the Bond Registrar, not less than 30 days nor more than 45 days,
17 prior to the date fixed for redemption (the "Redemption Date"), (i) to all registered owners of the
18 Refunding Bond to be redeemed (in whole or in part), at their addresses appearing on the
19 registration books kept by the Bond Registrar, by first-class mail, postage prepaid; and (iii) (A)
20 to The Depository Trust Company, Midwest Securities Trust Company, Pacific Securities
21 Depository Trust Company, Philadelphia Depository Trust Company, and any other registered

1 securities depository hereafter established, and their respective successors and assigns, if any, by
2 certified or registered mail or overnight delivery service, and (B) to at least two national
3 information services that disseminate redemption notices, by certified or registered mail or
4 overnight delivery service; but failure to mail or deliver any such notice or any defect in the
5 notice so mailed or delivered, or in the mailing or delivery thereof, shall not affect the validity of
6 any redemption proceedings. Such notice shall specify numbers, CUSIP numbers and maturities
7 of the Refunding Bond to be redeemed (in whole or in part), which statement of numbers may be
8 from one number to another, inclusive, the Redemption Date and redemption price, and shall
9 further state that, on the Redemption Date, the Refunding Bond called for redemption will be due
10 and become payable at the office of the Bond Registrar, and that, from and after the Redemption
11 Date, interest thereon shall cease to accrue. The Bond Registrar will use its best efforts to mail a
12 second notice of redemption to registered owners of Refunding Bond who have not presented
13 their Refunding Bond for redemption 60 days after the Redemption Date.

14 (c) On the Redemption Date, notice having been mailed or waived, and moneys for
15 the payment of the redemption price plus accrued interest being held by the Bond Registrar, the
16 Refunding Bond (or portions thereof) so called for redemption shall become due and payable at
17 the redemption price provided for redemption of such Refunding Bond (or such portions thereof)
18 on the Redemption Date, interest on such Refunding Bond so called for redemption shall cease to
19 accrue and the holders or registered owners of such Refunding Bond so called for redemption
20 shall have no rights in respect thereto except to receive payment of the redemption price thereof,

plus accrued interest thereon to the Redemption Date from such moneys held by the Bond Registrar.

(d) If it is determined that a portion, but not all of the principal amount represented by any Refunding Bond is to be called for redemption, then upon notice of intention to redeem such portion, the registered owner of such Refunding Bond shall forthwith surrender such Refunding Bond to the Bond Registrar (i) the payment of the redemption price (including the premium, if any, and interest to the Redemption Date) of the portion of the principal amount thereof called for redemption; and (ii) in exchange for a new Refunding Bond of the unredeemed balance of the principal amount of such Refunding Bond, and having the same form and tenor as such Refunding Bond. If the Refunding Bond is required to be surrendered to the Bond Registrar, a new Refunding Bond or Bonds representing the unredeemed balance of the principal amount of such Refunding Bond shall be issued to the registered owner thereof without charge therefor. If the registered owner of any such Refunding Bond shall fail to present such Refunding Bond to the Bond Registrar for payment and exchange as aforesaid, such Refunding Bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the portion of the principal amount called for redemption (and to that extent only). Interest shall cease to accrue on the portion of the principal amount of such Refunding Bond called for redemption on and after the Redemption Date, and no Refunding Bond shall be thereafter issued corresponding to such portion.

SECTION 24. Be it further enacted by the County Council of Harford County, Maryland, that the provisions of this Bill are severable, and if any provision, sentence, clause,

1 section or part hereof is held illegal, invalid or unconstitutional or inapplicable to any person or
2 circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect
3 or impair any of the remaining provisions, sentences, clauses, sections or parts of this Bill or
4 their application to other persons or circumstances. It is hereby declared to be the legislative
5 intent that this Bill would have been passed if such illegal, invalid or unconstitutional provision,
6 section, clause, section or part had not been included herein, as if the person or circumstances to
7 which this Bill or any part here are inapplicable had been specifically exempted therefrom.

8 SECTION 25. Be it further enacted by the County Council of Harford County, Maryland
9 that upon recommendation of the County Executive, the County Council of Harford County,
10 Maryland may adopt a resolution pursuant to Article 31, Section 2C of the Annotated Code of
11 Maryland (2003 Replacement Volume 2004 Supplement), as amended, authorizing the
12 Refunding Bond to be sold, pursuant to this Bill, to be consolidated for sale and issued, sold and
13 delivered as a single issue of bonds with other bonds authorized to be sold by Harford County,
14 Maryland.

15 ~~SECTION 26. And be it further enacted by the County Council of Harford County,~~
16 ~~Maryland, that the issuance of Harford County Water Quality Refunding Bond, Series 2005, is~~
17 ~~hereby declared to be of an emergency measure affecting the health, safety and welfare of the~~
18 ~~citizens of Harford County, Maryland, and it is in the best interests of the County to issue and~~
19 ~~sell the foregoing Bond as soon as possible, thereby achieving a savings of interest and other~~
20 ~~costs to the County.~~

21 SECTION 26. Be it further enacted by the County Council of Harford County,
22 Maryland, if recommended by the County Executive (a) that the County, pursuant to the

1 authority contained in the Maryland Water Quality Financing Administration Act and this Bill
 2 and Bill No. 91-45, shall amend the terms of its Water Quality Bond, Series 1991 by executing
 3 and delivering its Amended and Restated Harford County, Maryland Water Quality Bond, Series
 4 1991 (the "Amended Bond") to the Administration in exchange for the Original Bond.

5
 6 (b) The Amended Bond shall be dated as of August 1, 2005.

7
 8 (c) The Amended Bond shall be in substantially the form of the Amended
 9 Bond attached as Exhibit A to the Form of First Amendment to Loan Agreement (hereinafter
 10 defined) (the "Amended Bond Form"), and such form is hereby approved as to form and content.

11
 12 (d) The original principal amount of the Amended Bond is \$7,114,398, which
 13 is equal to the outstanding principal balance of the Original Bond, and shall be payable in 8
 14 consecutive annual installments beginning on February 1, 2006 and continuing on each February
 15 1 thereafter to and including February 1, 2013 (the "Maturity Date"). The Amended Bond shall
 16 mature on the Maturity Date and the outstanding principal of the Amended Bond and all accrued
 17 and unpaid interest shall be due on such date.

18 (e) The Amended Bond shall be subject to prepayment and redemption to the
 19 extent permitted and in accordance with the Loan Agreement (hereinafter defined).

20
 21 (f) On and after the date of delivery of the Amended Bond in exchange for
 22 the Original Bond, the Amended Bond shall be the "Bond" for all purposes of Bill No. 91-45 and
 23 this Ordinance and the "Note" for all purposes of the Loan Agreement.

24
 25 (g) The Original Loan Agreement shall be amended by a First Amendment to
 26 Loan Agreement between the County and the Administration (the "First Amendment to Loan
 27 Agreement") in substantially the form attached hereto as Exhibit C and made a part hereof (the
 28 "Form of First Amendment to Loan Agreement"), and such form is hereby approved as to form
 29 and content.

30 (h) The Original Loan Agreement, as amended by the First Amendment to Loan
 31 Agreement (collectively, the "Loan Agreement"), shall be the "Loan Agreement" for all
 32 purposes of Bill No. 91-45, this Bill and the Note; and the Loan Agreement is hereby ratified and
 33 confirmed.

34 SECTION 27. And be it further enacted by the County Council of Harford County,
 35 Maryland, that the issuance of Harford County Water Quality Refunding Bond, Series 2005, or

1 alternatively, the Amended and Restated Bond and the First Amendment to Loan Agreement is
2 hereby declared to be of an emergency measure affecting the health, safety and welfare of the
3 citizens of Harford County, Maryland, and it is in the best interests of the County to issue and
4 sell the foregoing Bond as soon as possible, thereby achieving a savings of interest and other
5 costs to the County.

EFFECTIVE: November 3, 2005

The Council Administrator of the Council does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.

Council Administrator

EXHIBIT A

Name of Issue: Harford County 1991 Water Quality Bonds

Date of Issue: December 4, 1991

Original Aggregate Principal Amount: \$14,400,000

Outstanding Principal Amount: \$7,114,398

Enabling Authority: Bill No. 91-45; Resolution No. 28-91

Redemption Date:

Redemption Price: Par

EXHIBIT B

APPLICATION OF PROCEEDS – ORIGINAL ISSUE

<u>Sewer Capital Projects</u>	<u>Authorization</u>	<u>Amount to be Borrowed</u>
Sod Run Upgrade/Expansion	91-20	14,400,000

"EXHIBIT C

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT (this "First Amendment") is made this _____ day of _____, 2005 between the Maryland Water Quality Financing Administration (the "Administration"), a unit of the Department of the Environment (the "Department") of the State of Maryland (the "State"), and "Insert Name of Entity", a _____ of the State (the "Borrower").

RECITALS

Pursuant to the Clean Water Act and the Act (each as defined in the Original Loan Agreement identified herein), the Administration entered into a Loan Agreement dated as of _____, (the "Original Loan Agreement" and, as amended by this First Amendment, the "Agreement") with the Borrower pursuant to which the Administration agreed to make a loan to the Borrower in an amount not to exceed \$ _____ (the "Loan") in order to finance the Project identified in the Agreement. In order to evidence the Loan, the Borrower, pursuant to the authority of Sections 9-1601 through 9-1622, inclusive, of the Environment Article of the Annotated Code of Maryland, the Charter of the Borrower and Resolution No. _____, adopted by the _____ of the Borrower on _____, and effective on _____, ("Resolution No. _____"), executed and delivered to the Administration a general obligation installment bond in the principal amount of \$ _____ dated _____, (the "Original Note").

The Original Note bears interest at the rate of _____ percent (_____ %) per annum, payable on August 1 and February 1 of each year, commencing _____.

In accordance with the provisions of the Original Note, the Administration advanced \$ _____ to the Borrower. [TO BE INSERTED IF THE AMOUNT ADVANCED OR DEEMED ADVANCED DOES NOT EQUAL THE ORIGINAL MAXIMUM AMOUNT DUE TO LOAN CLOSE-OUT] - As provided in the Original Note and the Agreement, the principal amount of the Original Note was reduced to \$.] The Borrower has been making payments on the Original Note (as adjusted in accordance with its terms) in accordance with the terms of the Original Note. The outstanding principal amount of the Original Note as of February 1, 2005, the last date on which principal on the Original Note was due and payable, was \$ _____.

As a result of the issuance of the Administration's Revolving Loan Fund Refunding Revenue Bonds, Series 2005 A, the Administration realized interest savings and intends to use a portion of the savings to reduce the interest rate on the Borrower's loan as well as reduce the amount of Administrative Fees paid by the Borrower.

Pursuant to _____, adopted by the Borrower on _____ 2005, the Borrower has agreed, in order to realize its allocable interest rate and Administrative Fee savings, to execute and deliver to the Administration, in exchange for the Original Note, an amended and restated note referred to therein as the "Amended Note".

The Borrower and the Administration desire to enter into this First Amendment in connection with the delivery of the Amended Note and reduction in the interest rate payable thereon and in the amount of the Administrative Fees payable by the Borrower.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, the Borrower and the Administration, each intending to be legally bound, hereby agree as follows:

Section 1. Definitions: Rules of Construction. (a) Any capitalized terms that have not been defined in this First Amendment (including in the Recitals hereto) shall have the meanings set forth in the Original Loan Agreement, unless the context clearly requires otherwise.

(b) Unless the context clearly indicates to the contrary, the rules of construction set forth in the Original Loan Agreement apply to the construction of this First Amendment.

Section 2. Representations, Warranties and Covenants of the Borrower. The Borrower represents, warrants and covenants for the benefit of the Administration as follows:

(a) The Borrower has full power and authority to enter into this First Amendment and to perform its obligations hereunder.

(b) The Borrower has duly authorized the execution and delivery of this First Amendment and has taken all necessary action to authorize the performance of its obligations hereunder.

(c) The execution, delivery and performance of this First Amendment and the transactions contemplated herein will not violate any judgment, order, law or regulation applicable to the Borrower or result in a breach of, or constitute a default under, any indenture, mortgage, deed of trust, bond, loan or credit agreement or other instrument to which the Borrower is a party or by which it is bound.

(d) There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against, or affecting, the Borrower in any court or before any governmental commission, board or authority which, if adversely determined, will have a material adverse effect on the authority or ability of the Borrower to perform its obligations under the Agreement, or which question the legality, validity or enforceability hereof.

(e) The Borrower has complied with all applicable laws and regulations of the State of Maryland with respect to this First Amendment.

Section 3. Representations, Warranties and Covenants of the Administration. The Administration represents, warrants and covenants for the benefit of the Borrower as follows:

(a) The Administration is authorized under the laws of the State of Maryland to enter

into this First Amendment and the transactions contemplated hereby and to perform all of its obligations hereunder.

(b) The Administration has duly authorized the execution and delivery of this First Amendment and has taken all necessary action to authorize the performance of its obligations hereunder.

(c) The Administration has complied with all applicable laws and regulations of the State of Maryland with respect to this First Amendment.

(d) The execution, delivery and performance of this First Amendment and the transactions contemplated herein will not violate any judgment, order, law or regulation applicable to the Administration or result in a breach of, or constitute a default under, any indenture, mortgage, deed of trust, bond, loan or credit agreement or other instrument to which the Administration is a party or by which it is bound.

Section 4. Amendment to Section 1.01 of the Original Loan Agreement.

(a) From and after the execution and delivery of this First Amendment, Section 1.01 (Definitions) of the Original Loan Agreement is hereby amended by deleting the definition of the term "Note" in its entirety and, in lieu thereof, substituting the following:

"Note" means, as the context may require, the Original Note, as amended from time to time under the terms thereof, and the Amended Note executed and delivered on _____, 2005.

Section 5. Amended Note.

In connection with the reduction in the interest rate payable under the Original Note, the Borrower shall execute and deliver to the Administration in exchange for the Original Note a note in substantially the form attached hereto as Exhibit A with such changes and insertions as consented to by the Administration (the "Amended Note"). The Amended Note is an amendment and restatement of the principal amount of the Original Note outstanding on the date of delivery of the Amended Note and reflects the reduction of the interest rate payable by the Borrower on the Original Note as agreed to by the Administration and the Borrower. The Amended Note shall be dated August 1, 2005, with interest accruing thereon at the rate on the Amended Note from August 1, 2005. The first interest payment on the Amended Note shall be February 1, 2006. The Amended Note constitutes the Note for purposes of the Agreement.

Section 6. Amendment to Section 3.04(c) of the Original Loan Agreement

[CONFIRM THAT THIS IS THE SECTION UNDER THE EARLIEST FORMS OF THE LOAN AGREEMENT?]

From and after the execution and delivery of this First Amendment, Section 3.04(c) of the Original Loan Agreement is hereby deleted in its entirety and, in lieu thereof, substituted by the following:

"(i) On the date specified in Exhibit B for the first payment of the Administrative Fee and on each August 1 thereafter that the Note remains outstanding and unpaid to and including the date of final maturity of the Note (each such date, an "Administrative Fee Payment Date"), the Borrower shall pay to the Administration an Administrative Fee".

(ii) The Administrative fee for any Administrative fee payment date following the execution and delivery of this First Amendment, shall be a fixed amount of \$ due and payable August 1, 2006 and every August 1 thereafter until the end of the term of the Loan."

Section 7. Amendment to Exhibit B of the Original Loan Agreement

From and after the execution and delivery of this First Amendment, Exhibit B of the Original Loan Agreement is hereby deleted in its entirety and, in lieu thereof, substituted by the schedule attached hereto as First Amendment to Exhibit B.

Section 8. Ratification of Provisions of Agreement. The Borrower and the Administration represent, covenant and warrant as of the date hereof that all terms and provisions of the Agreement are in full force and effect, and that no Event of Default under the Agreement has occurred and is now continuing. Except as otherwise specifically amended by this First Amendment, all terms and provisions of the Original Loan Agreement remain in full force and effect, and govern the parties' rights, duties and obligations with regards to the Project and the Loan.

Section 9. Illegality and Severability. In the event any provision of this First Amendment shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable or otherwise affect any other provision hereof.

Section 10. Applicable Law and Forum. This First Amendment shall be governed by and construed in accordance with the laws of the State of Maryland, excluding the conflict-of law rules of the State of Maryland. All judicial actions, claims, suits or proceedings brought by any party to enforce any rights hereunder shall be initiated and maintained only in the courts of the State of Maryland and not in the courts of any other jurisdiction.

Section 11. Binding Effect. This First Amendment shall inure to the benefit of and shall be binding upon each of the parties hereto and their respective successors and permitted assigns.

Section 12. Execution in Counterparts. This First Amendment may be simultaneously executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Loan Agreement to be executed and delivered as of the day and year set forth above.

(SEAL)

WITNESS: MARYLAND WATER QUALITY FINANCING
ADMINISTRATION

By: _____
Jag Khuman
Director

(SEAL)

ATTEST: _____ BORROWER: _____

By: _____

Approved for form and legal sufficiency Approved for form and legal sufficiency
this _____ day of _____, 2005. this _____ day of _____, 2005.

Local Attorney for Borrower Helen E. Akparanta

Senior Assistant Attorney General

FIRST AMENDMENT TO EXHIBIT B
to Loan Agreement

Borrower Name: _____

Address: _____

Attention: _____

Project Name: _____

DESCRIPTION OF THE LOAN

(1) Project Name: _____

(2) (a) Principal Amount of Loan Commitment: \$ _____

(b) Principal Amount on Loan close-out \$ _____

(c) Principal Amount on delivery of Amended Note: \$ _____

(3) (a) Initial rate of Interest: _____ %

(b) Rate of Interest on Amended Note: _____ %

(4) Amortization Schedule:

(a) _____ years.

First Principal Payment Date: _____

(b) Level Principal _____ ; or

Level Debt Service _____

(5) Annual Administrative Fee: \$ _____, beginning _____ and
commencing August 1, 2006, % _____.

(6) Completion Date of Project _____

(7) Default Rate: _____ %

(8) Description of Project:

EXHIBIT A TO FIRST
AMENDMENT TO LOAN
AGREEMENT

FORM OF AMENDED NOTE

\$(OUTSTANDING PRIN. AMT.)

R-2

REGISTERED

UNITED STATES OF
AMERICA STATE OF
MARYLAND

[NAME OF BORROWER]
AMENDED AND
RESTATED

[NAME OF ORIGINAL
BOND] Dated August 1, 2005

PAYMENTS OF PRINCIPAL AND INTEREST ON THIS BOND ARE MADE BY
CHECK, DRAFT OR ELECTRONIC FUNDS TRANSFER TO THE REGISTERED
OWNER AND IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND
WHETHER ALL OR ANY PART OF THE PRINCIPAL OF OR INTEREST ON THIS
BOND HAS BEEN PAID.

REGISTERED OWNER: Maryland Water Quality Financing
Administration

_____ , a [body politic and corporate] [municipal corporation] [other appropriate
description] of the State of Maryland (the "Borrower"), hereby acknowledges itself obligated to
pay to the Registered Owner shown above, the principal amount of \$ _____ (the "Principal
Amount"), plus interest on the unpaid principal amount thereof at the rate of _____ per centum
(_____ %) per annum. The Principal Amount represents, as of the dated date hereof, the outstanding
principal advanced to the Borrower by the Administration under the terms of the Loan
Agreement dated as of _____, [] (as amended, the "Loan Agreement") by and between the Borrower
and the Maryland Water Quality Financing Administration (the "Administration").

The principal advanced under the Loan Agreement shall be paid in installments on the dates and in the amounts as set forth in the following schedule, as such schedule may be amended in accordance with the terms hereof:

<u>Due</u>	<u>Principal</u>	<u>Due</u>	<u>Principal</u>
<u>[February 1]</u>	<u>Amount</u>	<u>[February 1]</u>	<u>Amount</u>
<u>2006</u>	<u>\$</u>	<u>2016</u>	<u>\$</u>
<u>2007</u>		<u>2017</u>	
<u>2008</u>		<u>2018</u>	
<u>2009</u>		<u>2019</u>	
<u>2010</u>		<u>2020</u>	
<u>2011</u>		<u>2021</u>	
<u>2012</u>		<u>2022</u>	
<u>2013</u>		<u>2023</u>	
<u>2014</u>		<u>2024</u>	
<u>2015</u>		<u>2025</u>	

Notwithstanding the foregoing, all outstanding unpaid principal amounts advanced under the Loan Agreement, if not previously due hereunder, shall be due on that date which is 20 years after the date of completion of the Project (as defined in the Loan Agreement), as certified by the Borrower to the Administration pursuant to Section 2.02(d) of the Loan Agreement.]

Interest due on the unpaid principal amount of this bond shall accrue on the basis of a 30-day month, 360-day year from the date hereof or from the most recent interest payment date to which interest has been paid or duly provided for determined in accordance with the terms hereof. Interest shall be paid the 1st day of February, 2006, and semiannually thereafter on the 1st day of February and August in each year until the principal amount hereof has been paid; provided that, the interest payable on this bond on February 1, 2006 shall be the amount of interest accruing on the outstanding principal amount of this bond from August 1, 2005 to February 1, 2006 at the rate of interest per annum set forth above.

This bond is subject to prepayment only in accordance with Section 3.10 of the Loan Agreement.

Both the principal of and interest on this bond will be paid to the registered owner in lawful money of the United States of America, at the time of payment, and will be paid by electronic funds transfer, or by check or draft mailed (by depositing such check or draft, correctly addressed and postage prepaid, in the United States mails before the payment date) to the registered owner at such address as the registered owner may designate from time to time by a notice in writing delivered to the [INSERT BORROWER'S AUTHORIZED OFFICER].

This bond is issued pursuant to and in full conformity with the provisions of [INSERT

BORROWER'S LOCAL ACT(S)] and the Maryland Water Quality Financing Administration Act (codified as Sections 9-1601 to 9-1622, inclusive, of the Environment Article of the Annotated Code of Maryland, as amended), and by virtue of due proceedings had and taken by the Borrower, particularly a resolution (numbered) adopted by [INSERT BORROWER'S AUTHORIZING ORDINANCE OR RESOLUTION] [NOTE TO BOND COUNSEL - INCLUDE, AS APPROPRIATE, ORIGINAL AUTHORIZING LEGISLATION AND ANY LEGISLATION AUTHORIZING ISSUANCE OF AMENDED NOTE] (collectively, the "Resolution").

This bond, together with the Loan Agreement, evidences the Loan (as defined in the Loan Agreement) to the Borrower from the Maryland Water Quality Financing Administration.

The full faith and credit and unlimited taxing power of the Borrower are hereby irrevocably pledged to the prompt payment of the principal of and interest on this bond according to its terms, and the Borrower does hereby covenant and agree to pay the principal of and interest on this bond at the dates and in the manner prescribed herein.

This bond is transferable only after the first principal payment date as set forth above, upon the books of the Borrower at the office of the [INSERT BORROWER'S AUTHORIZED OFFICERS] by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof, together with a written instrument of transfer satisfactory to the [INSERT BORROWER'S AUTHORIZED OFFICER], duly executed by the Registered Owner or his duly authorized attorney. The Borrower shall, within a reasonable time, issue in the name of the transferee a new registered bond or bonds, in such denominations as the Borrower shall by resolution approve, in an aggregate principal amount equal to the unpaid principal amount of the bond or bonds surrendered and with the same maturities and interest rate. If more than one bond is issued upon any such transfer, the installment of principal and interest to be paid on each such bond on each payment date shall be equal to the product of the following formula: the total installment due on each payment date multiplied by a fraction, the numerator of which shall be the principal amount of such bond and the denominator of which shall be the aggregate principal amount of bonds then outstanding and unpaid. The new bond or bonds shall be delivered to the transferee only after payment of any taxes on and any shipping or insurance expenses relating to such transfer. The Borrower may deem and treat the party in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Maryland and the (Resolutions and/or Ordinances) to exist, to have happened or to have been performed precedent to or in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond, together with all other indebtedness of the Borrower, is within every debt and other limit prescribed by said Constitution or statutes.

IN WITNESS WHEREOF, this bond has been executed by the manual signature of the
[INSERT AUTHORIZED OFFICERS] and the seal of the Borrower has been affixed hereto,
attested by the manual signature of the [INSERT AUTHORIZED OFFICER], all as of the
day of _____, 2005.

(SEAL)

ATTEST: _____ (Borrowers Name)

_____ By: _____

[OFFICER] _____ [OFFICER]

BILL NO. 05-43
As Amended

HARFORD COUNTY BILL NO. 05-43 As Amended

Brief Title Refunding Bonds – Sewage Treatment
is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

Barbara J. O'Connor
Council Administrator

Date November 1, 2005

ENROLLED

Robert S. Wagner
Council President

Date November 1 2005

BY THE COUNCIL

Read the third time.

Passed: LSD 05-28

Failed of Passage: _____

By Order

Barbara J. O'Connor
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 2nd day of
November, 2005 at 3:00 p.m.

Barbara J. O'Connor
Council Administrator



BY THE EXECUTIVE

David R. Craig
COUNTY EXECUTIVE

APPROVED: Date 11/3/05

BY THE COUNCIL

This Bill No. 05-43 As Amended, having been approved by the Executive and returned to the Council, becomes law on November 3, 2005.

EFFECTIVE DATE: November 3, 2005

Barbara J. O'Connor
Barbara J. O'Connor, Council Administrator

BILL NO. 05-43
As Amended